

AMENDED IN ASSEMBLY APRIL 8, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 2389

Introduced by Assembly Member Gaines

February 19, 2010

An act to ~~amend Section 1569.70 of~~ *add Section 1367.49 to the Health and Safety Code, relating to care facilities; and to add Section 10133.64 to the Insurance Code, relating to health care coverage.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2389, as amended, Gaines. ~~Residential care for the elderly. Health care coverage: provider contracts.~~

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law prohibits a contract between a plan or insurer and a health care provider from containing certain terms.

This bill would prohibit a contract between a plan or insurer and a health care facility to provide inpatient hospital services or ambulatory care services to subscribers and enrollees of the plan or policyholders and insureds of the insurer from containing a provision that restricts the ability of the plan or insurer to furnish information to subscribers or enrollees of the plan or policyholders or insureds of the insurer concerning the cost of procedures at the facility or the quality of services provided by the facility. The bill would make a contractual provision inconsistent with this requirement void and unenforceable.

~~Existing law requires the State Department of Social Services to license and regulate residential care facilities for the elderly.~~

~~This bill would make a technical, nonsubstantive change in those provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1367.49 is added to the Health and Safety
2 Code, to read:

3 1367.49. (a) A contract issued, amended, renewed, or delivered
4 on or after January 1, 2011, between a health care service plan
5 and a health care facility to provide inpatient hospital services or
6 ambulatory care services to subscribers and enrollees of the plan
7 shall not contain any provision that restricts the ability of the
8 health care service plan to furnish information to subscribers or
9 enrollees of the plan concerning the cost of procedures at the
10 facility or the quality of services provided by the facility.

11 (b) Any contractual provision inconsistent with this section
12 shall be void and unenforceable.

13 (c) Section 1390 shall not apply for purposes of this section.

14 SEC. 2. Section 10133.64 is added to the Insurance Code, to
15 read:

16 10133.64. (a) A contract issued, amended, renewed, or
17 delivered on or after January 1, 2011, between a health insurer
18 and a health care facility to provide inpatient hospital services or
19 ambulatory care services to policyholders and insureds of the
20 insurer shall not contain any provision that restricts the ability of
21 the health insurer to furnish information to policyholders or
22 insureds concerning the cost of procedures at the facility or the
23 quality of services provided by the facility.

24 (b) Any contractual provision inconsistent with this section
25 shall be void and unenforceable.

26 ~~SECTION 1. Section 1569.70 of the Health and Safety Code~~
27 ~~is amended to read:~~

28 ~~1569.70. It is the intent of the Legislature to develop and~~
29 ~~implement a plan to establish three levels of care under the~~
30 ~~residential care facility for the elderly license, subject to future~~
31 ~~Budget Act appropriations and statutory authorization to implement~~
32 ~~levels of care.~~

1 ~~(a) The guidelines for the development of these levels of care~~
2 ~~are:~~

3 ~~(1) Level I—Base care and supervision. Residents at this level~~
4 ~~are able to maintain a higher degree of independence and need~~
5 ~~only minimum care and supervision, as defined, and minimal~~
6 ~~personal care assistance.~~

7 ~~(2) Level II—Nonmedical personal care. Residents at this level~~
8 ~~have functional limitations and psychosocial needs requiring not~~
9 ~~only care and supervision but frequent assistance with personal~~
10 ~~activities of daily living and active intervention to help them~~
11 ~~maintain their potential for independent living.~~

12 ~~(3) Level III—Health related assistance. Residents at this level~~
13 ~~require the services of lower levels and rely on the facility for~~
14 ~~extensive assistance with personal activities of daily living. This~~
15 ~~level may include residents who also require the occasional services~~
16 ~~of an appropriate skilled professional due to chronic health~~
17 ~~problems and returning residents recovering from illness, injury,~~
18 ~~or treatment that required placement in facilities providing higher~~
19 ~~levels of care.~~

20 ~~These levels are to be based on the services required by residents~~
21 ~~at each level due to their functional limitations.~~

22 ~~(b) The levels of care plan shall include:~~

23 ~~(1) Guidelines for meeting requirements at each level of care~~
24 ~~by utilizing appropriate community and professional services.~~
25 ~~Options shall be provided to allow facilities to meet resident needs~~
26 ~~by accessing community services or hiring appropriate staff.~~

27 ~~(2) Assessment procedures for facility evaluation of residents'~~
28 ~~level of care needs.~~

29 ~~(3) Process for ensuring the individual facility's ability to serve~~
30 ~~clients at each level of care they intend to provide.~~

31 ~~(4) Recommendations for a supplemental rate structure based~~
32 ~~on the services required at Levels II and III to be provided for~~
33 ~~residents who need those levels of care and are recipients of~~
34 ~~SSI/SSP. These rates shall be in addition to the basic SSI/SSP rate~~
35 ~~for providing care supervision and shall reflect actual costs of~~
36 ~~operation for residential care facilities for the elderly.~~

37 ~~(5) Procedures for assessment and certification of SSI/SSP~~
38 ~~recipients, by county social services departments to allow for~~
39 ~~administration of the supplemental rate structure.~~

- 1 ~~(6) Procedures for evaluating and monitoring the appropriateness~~
- 2 ~~of the levels of care determined for SSI/SSP recipients.~~
- 3 ~~(e) Implementation of the levels of care system shall consider~~
- 4 ~~the applicability of the 1985 level of care report developed by the~~
- 5 ~~California Health and Human Services Agency to ensure continuity~~
- 6 ~~in the residential care facility for the elderly program as outlined~~
- 7 ~~under this chapter.~~